

## Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-10  
AGRE-00 AID-05 EB-08 ICA-20 COME-00 TRSE-00  
CIAE-00 INR-10 NSAE-00 L-03 FRB-01 OMB-01 ITC-01  
SP-02 LAB-04 OIC-02 SIL-01 STR-07 CEA-01 CAB-05  
DODE-00 DOTE-00 FAA-00 HEW-06 OES-07 NSF-02 CEQ-01  
/160 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8947

UNCLAS SECTION 01 OF 02 GENEVA 06403

E.O. 11652: N/A

TAGS: AORG, UN

SUBJECT: GENEVA GROUP: UK PAPER ON JIU REPORT

1. UK HAS CIRCULATED A PAPER FOR DISCUSSION AND CONSULTATIVE LEVEL AGEND ITEM 7 DRAWING ATTENTION TO PROBLEMS SEEN IN JIU/REP/78/3, THE MAIN DOCUMENTATION FOR THIS ITEM. TEXT OF PAPER FOLLOWS, AND MISSION COMMENTS FOLLOW BY SEPTTEL. BEGIN TEXT.

2. THE UNDP GOVERNING COUNCIL IN JUNE 1976 COMMISSIONED A STUDY ON THE ROLE OF EXPERTS IN DEVELOPMENT CO-OPERATION. THE TASK WAS ENTRUSTED TO THE JOIN INSPECTION UNIT, AND THEIR REPORT (JIU/REP/78/3) WILL BE PRESENTED TO THE 25TH SESSION OF THE UNDP GOVERNING COUNCIL NEXT JUNE. AT THE TIME OF DRAFTING OF THIS PAPER, THE REPORT HAD NOT BEEN CIRCULATED TO MEMBER GOVERNMENTS WITH UNDP AND SPECIALISED AGENCY COMMENTS. THIS RAISES THE RATHER FUNDAMENTAL QUESTION AS TO HOW THIS DETAILED AND COMPREHENSIVE REPORT WILL BE HANDLED IN THE GOVERNING COUNCIL. BUT QUITE APART FROM SUCH CONSIDERATIONS, THERE IS ONE ASPECT OF THE REPORT WHICH COULD HAVE SIGNIFICANT IMPLICATIONS FOR THE UNCLASSIFIED

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ROLE OF THE SPECIALISED AGENCIES IN UNDP-FINANCED PROJECTS  
NAMELY THE SUGGESTION THAT GOVERNMENTS SHOULD ASSUME FULL RESPONSIBILITY FOR MANAGING ALL UNDP-FINANCED PROJECTS.

3. THE MAJOR PART OF THE JIU REPORT IS CONCERNED WITH POSSIBLE NEW APPROACHES TO THE PROVISION OF EXPERTISE FOR TFCHNICAL CO-OPERATION PROJECTS. THE OPENING SECTION,

HOWEVER, REVIEWS THE DEFINITION OF TECHNICAL CO-OPERATION AGAINST THE BACKGROUND OF CHANGING IDEAS ABOUT THE DEVELOPMENT PROCESS, AND RECALLS THE REDEFINITION OF UNDP'S OBJECTIVES AS BEING THE PROMOTION OF SELF-RELIANCE IN DEVELOPING COUNTRIES. IT ARGUES THAT THE LOGICAL CONSEQUENCE OF THIS APPROACH AND OF THE 'NEW DIMENSIONS' DECISION ADOPTED BY THE GOVERNING COUNCIL IN JUNE 1975 IS THAT GOVERNMENTS SHOULD BE GIVEN FULL RESPONSIBILITY FOR MANAGING UNDEP-FINANCED PROJECTS. THE JIU POINT OUT THAT SUCH A STEP WOULD BRING THE UN SYSTEM INTO LINE WITH THE PRACTICE IN MOST OTHER BILATERAL AND MULTILATERAL PROGRAMMES, (ALTHOUGH THE RANGE OF PRACTICE IS NOT SPELLED OUT).

4. A CENTRAL THEME OF THE JIU REPORT, THEREFORE, IS THAT HOST GOVERNMENTS SHOULD HAVE FULL RESPONSIBILITY FOR THE MANAGEMENT OF UNDP-FINANCED PROJECTS INCLUDING PLANNING AND EXECUTION, AND THE PROVISION OF NECESSARY INPUTS (EXPERTS, FELLOWSHIPS, EQUIPMENT). SPECIALISED AGENCIES WOULD CO-OPERATE BY PROVIDING ADVICE AND, IF SO REQUESTED, ASSISTANCE WITH RECRUITMENT OR PROCUREMENT. ACCEPTANCE OF THIS PRINCIPLE, THE REPORT ADMITS, WILL ENTAIL A NEW CONCEPTION OF THE ROLE OF THE AGENCIES AND OF UNDP IN MULTILATERAL TECHNICAL CO-OPERATION. THE JIU STATE THAT GOVERNMENT MANAGEMENT OF UNDP-FINANCED PROJECTS SHOULD NOT RESULT IN ANY LESSENING OF UNCLASSIFIED

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THE TECHNICAL CONTRIBUTION OF THE AGENCIES. IN FACT, THEY SHOULD CONTINUE TO PLAY AN ACTIVE PART IN ALL BUT A VERY SMALL MINORITY OF PROJECTS, FROM PLANNING TO IMPLEMENTATION AND EVALUATION. THE REPORT ALSO ADMITS THAT "IT WOULD BE INCONSISTENT WITH THE PURPOSE OF INTERNATIONAL CO-OPERATION THROUGH THE UN SYSTEM IF GOVERNMENT MANAGEMENT WERE TO IMPEDE OR PREVENT CONTACT BETWEEN THE DEVELOPING COUNTRIES AND THE AGENCIES, AND IF THE UN SYSTEM BECAME A MERE DISPENSER OF FUNDS" (PARAGRAPH 58), BUT DISMISSES SUCH RESERVATIONS WITH THE ALMOST THROWAWAY REMARK THAT THE SCOPE FOR AGENCY CONTRIBUTIONS CAN ACTUALLY INCREASE "PROVIDED GOVERNMENT EXECUTION IS APPROACHED IN THE RIGHT WAY".

5. PREVIOUS DISCUSSION IN THE UNDP GOVERNING COUNCIL HAS, QUITE RIGHTLY, NOT QUESTIONED THE PRINCIPLE OF GREATER GOVERNMENT EXECUTION OR MANAGEMENT OF UNDP-FINANCED PROJECTS; BUT HAS URGED A CAUTIOUS APPROACH TO IMPLEMENTATION SO AS TO AVOID JEOPARDISING THE MULTILATERAL NATURE OF THE UN DEVELOPMENT SYSTEM. THE RELATIONSHIP BETWEEN GOVERNMENTS, EXECUTING AGENCIES AND THE UNDP IS SET OUT IN THE CONSENSUS RESOLUTION OF 1970; BUT

EVENTS SINCE THE FINANCIAL CRISIS SUFFERED BY UNDP IN LATE 1975 HAVE DEMONSTRATED THE FRAGILE BASIS OF THIS RELATIONSHIP.

6. AT THE 23RD SESSION OF THE GOVERNING COUNCIL IN JANUARY, 1977, CAUTIOUS APPROVAL WAS GIVEN TO THE ADMINISTRATOR'S GUIDELINES FOR GOVERNMENT EXECUTION OF PROJECTS (DP/221) AND HE WAS ASKED TO REPORT PERIODICALLY TO THE COUNCIL ON THEIR IMPLEMENTATION. AT THE TIME, THE PRIMARY AGENCY CONCERN WAS THAT THEIR KNOWLEDGE AND EXPERTISE WOULD CONTINUE TO BE MADE AVAILABLE, AND THAT THE TECHNICAL QUALITY OF PROJECTS WOULD NOT DECLINE. THE JIU REPORT DOES NOT DEFINE HOW HOST GOVERNMENTS WOULD BE

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LIMITED IN SELECTING PROJECT INPUTS, HOWEVER, SO WHOLE-SCALE IMPLEMENTATION OF THIS RECOMMENDATION COULD RESULT IN A RADICAL SHIFT IN THE NATURE OF MULTILATERAL TECHNICAL CO-OPERATION. AGENCIES FREQUENTLY COMPLAIN THAT THEY ARE EXCLUDED FROM THE COUNTRY PROGRAMME PROCESS WHEN HOST GOVERNMENTS DETERMINE PRIORITY AREAS FOR USE OF UNDP FUNDS. NEGLECT OF CERTAIN SECTORS IS A FREQUENTLY-CITED REASON BY SECRETARIATS FOR THE ESTABLISHMENT OF AUTONOMOUS PROGRAMMES FINANCED EITHER BY VOLUNTARY CONTRIBUTIONS OR FROM REGULAR BUDGETS. IF AGENCIES FEEL THAT GOVERNMENT MANAGEMENT, AS PROPOSED BY THE JIU, FURTHER REDUCES THEIR INVOLVEMENT IN TECHNICAL CO-OPERATION ACTIVITIES FINANCED BY UNDP, THERE MAY BE A CORRESPONDING INCREASE IN PRESSURES FOR THEIR OWN FUNDS.

7. A RELATED ISSUE, HINTED AT BUT NOT COVERED IN DETAIL IN THE JIU REPORT, IS THE QUESTION OF AGENCY OVERHEAD COSTS. THE CONCLUSIONS AND RECOMMENDATIONS OF THIS WORKING GROUP COULD ALSO HAVE IMPLICATIONS FOR THE LEVEL OF REGULAR BUDGET EXPENDITURE IN THE AGENCIES, ALTHOUGH IT IS TOO EARLY TO PREDICT WHAT REVISED ARRANGEMENTS, IF ANY, WILL EMERGE. GIVEN THE PAST HISTORY OF UNCLASSIFIED

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THE OVERHEADS QUESTION, HOWEVER, IT IS PERHAPS WORTH CONSIDERING WHETHER THE DETAILED JIU SCHEME FOR REIMBURSEMENT WILL BE A WORKABLE SOLUTION.

8. THE GENEVA GROUP MAY FIND IT USEFUL TO EXCHANGE VIEWS ON THE POSSIBLE IMPLICATIONS OF THE JIU'S APPROACH TO GOVERNMENT MANAGEMENT OF PROJECTS AND ITS "SPIN-OFF" WORK ON OVERHEAD COSTS FOR THE FUTURE COURSE OF TECHNICAL CO-OPERATION ACTIVITIES IN THE UN SYSTEM. END TEXT.  
VANDEN HEUVEL

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## Message Attributes

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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014